

INVITATION FOR BIDS (IFB) NO. 07-015
FOR
LEASE AND MAINTENANCE
OF
DIGITAL MAILING SYSTEM WITH ACCOUNTING SYSTEM
FOR
CAMPUS MAIL SERVICES
UNIVERSITY OF HAWAII AT MANOA
HONOLULU, HAWAII

SEPTEMBER, 2006

BOARD OF REGENTS
UNIVERSITY OF HAWAII
HONOLULU, HAWAII

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IT IS THE RESPONSIBILITY OF ALL BIDDERS TO CHECK THE TABLE OF CONTENTS TO CONFIRM THAT ALL PAGES LISTED THEREIN ARE CONTAINED IN THEIR BID PACKAGE.

NOTICE TO BIDDERS

(Section 304-4, HRS)

BID FORMS for IFB No. 07-015, Lease and Maintenance of Digital Mailing System with Accounting System for Campus Mail Services, University of Hawaii at Manoa, will be available from and received in the OFFICE OF PROCUREMENT AND REAL PROPERTY MANAGEMENT, UNIVERSITY OF HAWAII, 1400 LOWER CAMPUS ROAD, ROOM 15, HONOLULU, HAWAII 96822, (an UNOFFICIAL copy of the IFB is available on the Internet at <http://www2.state.hi.us/bidapps/showbids.cfm>) and must be submitted no later than 2:30 p.m. September 26, 2006 , and at that time will be publicly opened.

Bids received after the time and date fixed for opening will not be considered.

Vendors located outside the Island of Oahu, Hawaii, USA, may request an OFFICIAL copy of the IFB to be sent via U.S. Postal Service by providing the vendor's name, address, contact person and telephone number. If express shipment is desired, requests must be submitted in writing with an account number, BILLABLE TO THE RECEIVER, and an authorized signature. Requests may be transmitted via facsimile, (808) 956-2093. Direct all questions to Suzanne Tanaka, (808) 956-8674.

David McClain

President, University of Hawaii

Advertised: Honolulu Star-Bulletin

Issue of: September 14, 2006

NOTICE TO BIDDERS

OPRPM FORM 115

BUSINESS CLASSIFICATION CERTIFICATION STATEMENT

(See Official Document)

BID FORM
FOR
LEASE AND MAINTENANCE OF
DIGITAL MAILING SYSTEM WITH ACCOUNTING SYSTEM

Office of Procurement and
Real Property Management
University of Hawaii
1400 Lower Campus Road, Room 15
Honolulu, Hawaii 96822

To Whom It May Concern:

The undersigned has carefully examined the INVITATION FOR BIDS (IFB) NO. 07-015, FOR LEASE AND MAINTENANCE OF DIGITAL MAILING SYSTEM WITH ACCOUNTING SYSTEM FOR CAMPUS MAIL SERVICES, UNIVERSITY OF HAWAII AT MANOA, HONOLULU, HAWAII, and offers to furnish, deliver, install, and maintain the equipment for Campus Mail Services, University of Hawai'i at Mānoa, 2442 Campus Road, #104, Honolulu, Hawaii 96822, in strict accordance with the true intent and meaning of the Invitation for Bids (IFB) and shall complete delivery within NINETY (90) consecutive calendar days from the date designated in the Notice to Proceed, as follows:

ITEM 1 – LEASE of ONE (1) only, Digital Mailing System, USPS (United States Postal Service) Compliant, as per Technical Specifications.

<u>Monthly Lease Cost</u>		<u>No. of Machines</u>		<u>No. of Months</u>		<u>Annual Cost</u>	
\$_____	X	1	X	12	=	\$_____	(1 st year)
\$_____	X	1	X	12	=	\$_____	(2nd year)
\$_____	X	1	X	12	=	\$_____	(3rd year)
\$_____	X	1	X	12	=	\$_____	(4th year)
\$_____	X	1	X	12	=	\$_____	(5th year)

Item 1: Total Annual Lease Costs = \$=====

Manufacturer and Model No. Offered _____

Prices for Item 1, Lease, shall be f.o.b. destination, including installation costs, and all applicable taxes.

ITEM 2 – LEASE of TWO (2), Digital Mailing System, USPS (United States Postal Service) Compliant, as per Technical Specifications.

<u>Monthly Lease Cost</u>		<u>No. of Machines</u>		<u>No. of Months</u>		<u>Annual Cost</u>	
\$_____	X	2	X	12	=	\$_____	(1 st year)
\$_____	X	2	X	12	=	\$_____	(2nd year)
\$_____	X	2	X	12	=	\$_____	(3rd year)
\$_____	X	2	X	12	=	\$_____	(4th year)
\$_____	X	2	X	12	=	\$_____	(5th year)

Item 2: Total Annual Lease Costs = \$_____

Manufacturer and Model No. Offered _____

Prices for Item 2, Lease, shall be f.o.b. destination, including installation costs, and all applicable taxes.

ITEM 3 - MAINTENANCE/REPAIR of Digital Mailing System, as per Technical Specifications.

<u>Monthly Maintenance</u>		<u>No. of Machines</u>		<u>No. of Months</u>		<u>Annual Maintenance</u>	
\$_____	X	3	X	12	=	\$_____	(1 st year)
\$_____	X	3	X	12	=	\$_____	(2nd year)
\$_____	X	3	X	12	=	\$_____	(3rd year)
\$_____	X	3	X	12	=	\$_____	(4th year)
\$_____	X	3	X	12	=	\$_____	(5th year)

Item 3: Total Annual Maintenance/Repair Costs = \$_____

Prices for Item 3, Maintenance/Repair, shall include labor costs, travel time, applicable parts, and all applicable taxes.

<u>Description</u>	<u>Total Amount</u>
ITEM 4 - ACCOUNTING SYSTEM for Digital Mailing System, as per Technical Specifications.	\$_____

Manufacturer and Model No. Offered _____

Prices for Item 4, Accounting System, shall be f.o.b. destination, including installation costs, and all applicable taxes.

Item 1: Total Annual Lease Costs 1 Machine	=	\$_____
Item 2: Total Annual Lease Costs 2 Machines	=	\$_____
Item 3: Total Annual Maintenance/Repair Costs 3 Machines	=	\$_____
Item 4: Total Accounting System	=	\$_____
TOTAL AMOUNT: ITEMS 1 - 4	=	\$_____

TAX LIABILITY

Both out-of-state and Hawaii bidders are advised that the amount bid on this solicitation is subject to the general excise tax (currently 4%) imposed by Chapter 237, Hawaii Revised Statutes (HRS) and, if tangible property is being imported into the State of Hawaii for resale, the use tax (currently 1/2%) imposed by Chapter 238, HRS. (Refer to Tax Clearance in the Special Provisions and Taxes in the General Provisions.) Bidders are therefore cautioned to consider such taxes in formulating their bids since no adjustments to the prices bid shall be allowed.

BASIS FOR AWARD

The award of contract, if awarded, shall be made to the lowest responsive and responsible bidder on the **TOTAL AMOUNT FOR ITEMS 1 - 4.**

AMORTIZATION SCHEDULE

With its bid, the bidder shall provide an amortization schedule listing the equipment purchase price (showing principal and interest) for each monthly period of the SIXTY (60)-month lease period.

REFERENCES

Bidder shall list the names of THREE (3) companies that the bidder has provided digital mailing systems on a lease basis. The University reserves the right to reject the bid submitted by any bidder who does not provide complete information and whose performance on other jobs has been unsatisfactory.

	<u>Name of Firm</u>	<u>Contact Person</u>	<u>Phone Number</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

NOTE TO BIDDERS

An acceptable bid must conform in all material respects to this Invitation for Bids. Any of the following may be grounds for disqualification:

1. Taking exception to any of the specifications, terms or conditions contained in the IFB.
2. Placing conditions on the furnishing of solicited goods or services.
3. Inclusion of a quotation or order form containing additional specifications, terms or conditions.
4. Referencing external documents containing additional specifications, terms or conditions.

Bidders are advised that bids are evaluated as submitted and requests by bidders to delete conditions contained in their bids after bid opening cannot be considered.

In the event that the undersigned is awarded this contract and its remittance address differs from the address shown on the next page, please indicate remittance address below:

Street Address or P. O. Box

City State Zip Code

SIGNATURE PAGE

(See Official Document)

TECHNICAL SPECIFICATIONS

This section indicates the Technical Specifications for the required equipment and lease maintenance service along with Accounting System. The Technical Specifications listed herein are the minimum requirements and are mandatory for an accepted bid.

Item 1 – LEASE of ONE (1) only, Digital Mailing System, USPS (United States Postal Service) Compliant, with the following specifications:

1. 60-month lease of a new machine.
2. Electrical:
 - a. Shall operate on 100 to 240 VAC, 50/60 Hz, 6.5 amps maximum, pls 3.0 amps maximum accessory outlet.
 - b. Shall have UL and CSA Approvals.
 - c. Shall be Energy Star Compliant.
3. Connectivity Requirements:
 - a. Shall be able to connect to a standard analog phone line.
 - b. Shall have supplied installation kit which shall include phone line splitter and six-foot phone cord.
 - c. Shall have IntelliLink Control Center or acceptable alternate:
 - 1) Shall have the capability to manage and track on-line and confirm mail deliver for “Certified”, “Delivery Confirmation,” and “Signature” mail.
 - 2) Shall have the capability to download system software updates, and perform basic departmental accounting for mail being processed.
4. Speed: Shall be able to process and seal media up to 16 ounces at a minimum speed of 240 pieces per minute on automatic (based on #10 size envelopes).

5. Operating Features:

- a. Shall have the capability to process (feeding, weighing, sealing, metering and stacking) mail media measuring from 3 ½" x 5" up to 15" x 13" (13" x 10" within the inline weighing and processing feature) and thickness measuring from .007" up to ¾".
- b. Shall be able to process intermixed mail of different weights, sizes and thicknesses without tamping at a minimum speed of 110 pieces per minute on automatic (speed is based on #10 envelopes). This mixed mail-processing feature shall eliminate the need for sorting of mail media.
- c. Shall seal open flaps for mail that comes to staging area pre-flapped.
- d. Shall be capable of sealing mail pieces with flap depth measuring from 1" to 4".
- e. Shall have the ability to produce both self-adhesive roll tape or roll gummed tape, selectable by the operator and depending upon the application. Tape shall be dispensed from an internal tape roll. External peripherals will not be compliant with these specifications.
- f. Shall have one centralized keyboard for entering account, meter, and equipment function information.
- g. Shall have an integrated weighing platform capable of weighing material up to 70 lbs., automatically setting the postage meter and dispensing meter tape contingent on the weight and thickness of the mail media.
- h. Shall have single unit in-line weighing and processing feature. Separate weighing and processing modules or attachments will not be compliant with these specifications.
- i. Shall include all USPS, 1st Class, Standard, 1st Class Automation, Standard Automation, Priority, International and Express Rates and special services, in order to provide user the ability to rate mail from a myriad of available postal rates.
- j. Shall have the ability to update USPS rate changes, software upgrades, and enhancements through modem download. Service calls for software updates, rate cards or chips will not be compliant with these specifications.
- k. Shall have a removable postage meter to allow for transportation to any available analog phone line in the mailroom.

- l. Shall have unlimited postage rate uploads via analog phone at no cost to the University.
- m. Shall have the capability to hold a minimum of 600 #10 envelopes.
- n. Shall be compliant with Information Based Indicia Program to conform to currently known future USPS regulations.
- o. Shall interface with Item No. 4, Accounting System, as specified below.

Item 2 – LEASE of TWO (2), Digital Mailing System, USPS (United States Postal Service) Compliant, with the following specifications:

- 1. 60-month lease of new machines.
- 2. Electrical:
 - a. Shall operate on 100 to 240 VAC, 50/60 Hz, 6.5 amps maximum, pls 3.0 amps maximum accessory outlet.
 - b. Shall have UL and CSA Approvals.
 - c. Shall be Energy Star Compliant.
- 3. Connectivity Requirements:
 - a. Shall be able to connect to a standard analog phone line.
 - b. Shall have supplied installation kit which shall include phone line splitter and six-foot phone cord.
 - d. Shall have IntelliLink Control Center or acceptable alternate:
 - 1) Shall have the capability to manage and track on-line and confirm mail deliver for “Certified”, “Delivery Confirmation,” and “Signature” mail.
 - 2) Shall have the capability to download system software updates, and perform basic departmental accounting for mail being processed.
- 4. Speed: Shall be able to process and seal media up to 16 ounces at a minimum speed of 260 pieces per minute on automatic (based on #10 size envelopes).

5. Operating Features:

- a. Shall have the capability to meter and seal envelopes measuring from 3 ½" x 5" up to 13" x 13" with thickness of .007 within the in-line weighing and processing feature, and 13" x 15" outside of the in-line weighing and processing feature up to a thickness of ¾".
- b. Shall be able to process intermixed mail of different weights, sizes and thicknesses without tamping at a minimum speed of 130 pieces per minute on automatic (speed is based on #10 envelopes). This mixed mail-processing feature shall eliminate the need for sorting of mail media.
- c. Shall be capable of processing both sealed and unsealed mail media, as well as processing material with the flaps either opened or closed (without operator intervention or tamping of mail media).
- d. Shall be capable of sealing open-flapped mail pieces with flap depth measuring from ¾" to 4".
- e. Shall have the ability to produce both self-adhesive roll tape or roll gummed tape, selectable by the operator and depending upon the application. Tape shall be dispensed from an internal tape roll. External peripherals will not be compliant with these specifications.
- f. Shall have one centralized keyboard for entering account, meter, and equipment function information.
- g. Shall be able to integrate to a weighing platform up to 30 lbs. and be capable of weighing material, automatically setting the postage meter and dispensing meter tape contingent on the weight and thickness of the mail media.
- h. Shall have single unit in-line weighing and processing feature. Separate weighing and processing modules or attachments will not be compliant with these specifications.
- i. Shall include all USPS, 1st Class, Standard, 1st Class Automation, Standard Automation, Priority, International and Express Rates and special services, in order to provide user the ability to rate mail from a myriad of available postal rates.
- j. Shall have the ability to update USPS rate changes, software upgrades, and enhancements through modem download. Service calls for software updates, rate cards or chips will not be compliant with these specifications.

- k. Shall have a removable postage meter to allow for transportation to any available analog phone line in the mailroom.
- l. Shall have unlimited postage rate uploads via analog phone at no cost to the University.
- m. Shall have the capability to hold 600 #10 envelopes.
- n. Shall be compliant with Information Based Indicia Program to conform to currently known future USPS regulations.
- o. Shall interface with Item No. 4, Accounting System, as specified below.

Item 3 – Maintenance/Repair of Digital Mailing System, with the following specifications:

- 1. The Contractor shall provide on-site maintenance and emergency repair services, as required, for the equipment leased under this contract.
- 2. Maintenance/repair services shall include:
 - a. Unlimited repair service provided during the normal University working hours, 7:45 a.m. to 4:30 p.m., Monday through Friday, excluding holidays. The Contractor's personnel shall contact the University department at least TWENTY-FOUR (24) hours prior to the scheduled maintenance visit.
 - 1) The Contractor shall acknowledge receipt of any call for corrective on-site service within TWO (2) hours and restore malfunctioning equipment to "good operational condition" within EIGHT (8) working hours after receipt of the trouble call.
 - 2) If the problem cannot be resolved within the timeframe indicated, the Contractor shall inform the University of the reasons for the delay and provide an estimated completion time. If the University deems the Contractor's explanation for the delay unreasonable, then the Contractor may be required to provide (at the Contractor's expense) the University with a replacement comparable model, until the necessary repairs are completed.
 - b. All necessary parts, tools, and labor needed to maintain the equipment at no additional cost to the University, when such parts, tools, and labor are required due to normal wear and use of the equipment.

- 1) Replacement of parts deemed necessary by the Contractor shall be furnished on an exchanged basis and shall be new standard parts or parts of equal quality or like new parts. Such exchanged parts removed from the equipment shall become the property of the Contractor. In addition, Contractor shall make every effort to maintain a readily available inventory of materials, parts and supplies that are routinely utilized for the equipment being leased.
- c. Upon receipt of service call, the Contractor's personnel shall:
 - 1) Determine the nature and cause of the reported problem.
 - 2) Replace any (including cosmetic) parts determined to be defective or worn due to normal use with new or like new parts.
 - 3) Perform services designed to minimize product failure and extend useful product life such as cleaning, lubrication, inspection, and testing.
 - 4) Leave a service receipt with the requesting University department that indicates the technician's name, date, time of service call, and description of the reported problem and work performed.
3. Contractor's personnel providing the maintenance/repair shall be factory-trained. A minimum of TWO (2) service technicians shall be based on the island of Oahu.

Item 4 – Accounting System for Digital Mailing Systems, with the following specifications:

1. Connectivity Requirements:
 - a. Shall have the ability to be a Turnkey SQL version to allow the database tables to reside on the University's SQL server.
 - b. Shall have the ability to connect to the University of Hawaii's SQL server over TCI/IP to allow the University's technical personnel to post data to the intranet website.
 - c. Shall have the ability to utilize low bandwidth when synchronizing.
 - d. Shall have the ability to process 100 accounts at a synchronizing peak bandwidth of 1.2KBS.
 - e. Shall have the ability to connect at least THREE (3) mail machines with capability to connect more mail machines, if needed.

2. Operating Features:

- a. Shall have the ability to utilize at least THREE (3) bar code scanners.
- b. Shall have the ability to provide a Meter Reconciliation report to show meter record vs. what was accounted for in the accounting system.
- c. Shall have the ability to provide up to 3 levels of accounting, with Job ID's and unlimited transactions (up to the capacity of the hard drive).
- d. Shall have the ability to provide reports filtered by Operators, Machines, Workstations (Mailroom), Accounts, Sub-Accounts, Sub-Sub-Accounts and Job ID's in order to provide the following reports:

Account Summary
Account Summary by Carrier
Budget Performance
Carrier Class Fee Summary by Account
Carrier Class Summary
Weight Break by Account-Carrier-Class
Weight Break by Carrier Class
Job Summary
Meter Accounting
Meter Discrepancy
Meter Reconciliation Summary
Meter Summary
Operator Performance Profile
Operator Summary
Workstation Performance Profile
Workstation Summary
Edited Transactions by Account
Meter Reconciliation Detail
Transactions by Account
Transactions by Carrier Class Fee
Transactions by Job
Transactions by Meter
Transactions by Operator
Transactions by Workstation
Transactions by Time
Transactions by Dimensional List
Carrier/Class/Fee List
Hierarchical Account List
Operator Settings

System Parameters
Actual & Charged
Actual & Charged with Avg. Cost & Time Charged
Mailcenter Performance by Period
Operator Performance Profile by Period
Postage Actual & Charged
Postage Actual & Charged by Period
Postage Charged
Workstation Performance Profile by Period

- e. Shall have the ability to allow user to select which fields to print in printed reports.
- f. Shall have the ability to provide weight break report when utilizing digital mailing machine with the in-line weighing and processing feature.
- g. Shall have the ability to provide continuous accounting for at least 1,500 transactions and maintain data in case system is disconnected or being serviced.
- h. Shall have the ability to provide remote support via PCAnywhere or GOTOMYPC.
- i. Shall have the ability to migrate the University Mail Room's current accounting information into this new accounting system.

All questions pertaining to the Technical Specifications shall be directed to Monychinda "Da" Houl, Coordinator, telephone (808) 956-5246.

Bidders are cautioned to review the Technical Specifications carefully and thoroughly. Objections to or requests for clarification of the specifications shall be made in writing in accordance with the General Provisions to the Office of Procurement and Real Property Management prior to the submittal of a bid. The submittal of a bid shall be considered as acceptance of the specifications as published.

SPECIAL PROVISIONS

1. SCOPE

The Lease and Maintenance of Digital Mailing System with Accounting System for Campus Mail Services, University of Hawaii at Manoa, shall be in accordance with the terms and conditions of IFB No. 07-015 and the General Provisions dated March 2003 included by reference. Copies of the General Provisions are available at the Office of Procurement and Real Property Management, University of Hawaii, 1400 Lower Campus Road, Room 15, Honolulu, Hawaii 96822 or the General Provisions may be viewed at: <http://www4.hawaii.gov/bidfiles/uhgpgs.pdf>

2. TECHNICAL REPRESENTATIVE OF THE PROCUREMENT OFFICER (TRPO)

The Technical Representative of the Procurement Officer is Monychinda "Da" Houli, Coordinator, telephone (808) 956-5246.

3. SUBMITTAL OF TECHNICAL DATA

With their bids, bidders shall submit, in duplicate, manufacturer's literature or brochures with technical data and illustrations of the equipment being offered.

4. DELIVERY AND INSTALLATION

Prior to delivery, the Contractor shall contact the Technical Representative to coordinate delivery and installation of the equipment. Contractor shall install equipment in accordance with manufacturer's specifications.

5. MANUALS AND INSTRUCTIONS

The Contractor shall provide the University with operating manuals of the equipment furnished under this contract.

6. TERM OF CONTRACT

- a. It is the intent of the University to lease the equipment for a period of SIXTY (60) months. However, since funds are appropriated annually, the initial term of the contract shall be for a period of TWELVE (12) months commencing from the date of installation and acceptance, and thereafter may be renewed annually for FOUR (4) additional years, not to exceed a maximum of FIVE (5) years, contingent upon availability of funds. The University may terminate the contract in the event of nonavailability of funds in accordance with Section 103-39, Hawaii Revised Statutes, or if the Contractor fails to perform as specified.

- b. In accordance with Section 103-39, Hawaii Revised Statutes, it shall be strictly understood that the contract shall be enforceable only to the extent that funds have been certified as available and that the availability of funds in excess of the amount certified as available shall be contingent upon future appropriations or special fund revenues.

7. PAYMENT

The Contractor shall be remunerated upon submission of a properly executed original invoice and ONE (1) copy, indicating the contract number, to Campus Mail Services, University of Hawaii at Manoa, 2442 Campus Road, #104, Honolulu, Hawaii 96822.

8. GUARANTEE

During the term of the lease, if the Contractor cannot maintain the equipment provided in good working order within EIGHT (8) working hours after receipt of a trouble call, Contractor shall replace the equipment without charge with identical model or equipment with comparable features and capabilities. This clause shall not apply to equipment damaged or destroyed due to an act of God or due to negligence of the University.

9. USE; ALTERATIONS

The University shall use the equipment in a careful and lawful manner. The University shall not make alterations, additions or improvements to the equipment without the Contractor's prior written consent. All additions and improvements made to the equipment shall belong to the Contractor.

10. LOCATIONS, CONTRACTOR'S INSPECTION; LABELS

The equipment shall be delivered and thereafter kept at University of Hawaii locations designated in the Technical Specifications, and shall not be removed therefrom without the Contractor's prior written consent. Contractor shall have the right to inspect the equipment at any reasonable time. If Contractor supplies University with labels stating that the equipment is owned by Contractor, University shall affix and keep the same upon a prominent place on the equipment.

11. ASSIGNMENT; OFFSET

Without Contractor's prior written consent, University shall not a) assign, transfer, pledge, hypothecate or otherwise dispose of this lease or any interest therein, or b) sublet or lend the equipment or permit it to be used by anyone other than University or University's employees.

Contractor may assign this lease of equipment, in whole or in part with written notice to University. Each such assignee shall have all of the rights and obligation of Contractor under this contract.

12. OWNERSHIP; PERSONAL PROPERTY

The equipment is and shall at all times remain, the property of the Contractor, and the University shall have no right, title or interest herein or thereto except as expressly set forth in this lease. The equipment is, and shall at all times be and remain personal property notwithstanding that the equipment or any party thereof may not be, or hereafter become, in any manner affixed or attached to real property or any building thereon.

13. INSURANCE

Contractor shall maintain insurance acceptable to the University in full force and effect throughout the term of this contract. The policy or policies of insurance maintained by Contractor shall provide Combined Single Limit Coverage (bodily injury and property damage) in the amount of \$1,000,000 per occurrence.

Insurance shall be in force the first day of the term of this contract.

Each insurance policy required by this contract shall contain the following three clauses:

- a. "This insurance shall not be cancelled, limited in scope of coverage or non-renewed until after THIRTY (30) days' written notice has been given to the University of Hawaii, Director of Office of Procurement and Real Property Management."
- b. "It is agreed that any insurance maintained by the University of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."
- c. "The University of Hawaii is added as an insured as respects operations performed for the University of Hawaii."

Clauses b and c are waived for any professional liability/errors and omissions liability insurance.

Contractor agrees to deposit with University, on or before the effective date of this contract, certificates of insurance necessary to satisfy the University that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificates therefor on deposit with the University during the entire term of this contract.

The University shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of the University, the insurance provisions in this contract do not provide adequate protection for the University, the University may require Contractor to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The University's requirements shall be reasonable but shall be designed to assure protection from and against the kind and extent of the risks which exist at the time a change in insurance is required.

The University shall notify Contractor in writing of changes in the insurance requirements; and if Contractor does not deposit copies of acceptable insurance policies with the University incorporating such changes within SIXTY (60) days of receipt of such notice, this contract shall be in default without further notice to Contractor and the University shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obligated for the full and total amount of any damage, injury, or loss arising from its acts or omissions with respect to this contract.

14. COMPLAINTS AND PROTESTS

General Provision 5.11 is hereby deleted in its entirety and shall be replaced with the following:

- a. Complainants should seek resolution of their complaints initially with the Procurement Officer. Such complaints should be made in writing.
- b. Protests shall be made in writing to the Procurement Officer within FIVE (5) working days after the protestor knows or should have known of the facts giving rise thereto. A protest of an award or proposed award shall in any event be submitted in writing within FIVE (5) working days after the posting of the award of the contract. No protest based upon the content of the solicitation shall be considered unless it is submitted in writing prior to the date set for the receipt of offers. Protests filed after the applicable filing periods shall not be considered.
- c. Protestors may file a protest on any phase of solicitation or award including but not limited to specifications preparation, bid solicitation, award, or disclosure of information marked confidential in the bid or offer.

- d. To expedite handling of protests, the envelope should be labeled "Protest" and either served personally or sent by registered or certified mail, return receipt requested, to the Procurement Officer. The written protest shall include as a minimum the following:
 - 1) The name and address of the protestor;
 - 2) Appropriate identification of the procurement, and, if a contract has been awarded, its number;
 - 3) A statement of reasons for the protest; and
 - 4) Supporting exhibits, evidence, or documents to substantiate any claims unless not available within the filing time in which case the expected availability date shall be indicated.
- e. The notice of protest shall be deemed communicated and filed within FORTY-EIGHT (48) hours from the time of mailing, if mailed as provided in this section, or communicated and filed when received personally by the Procurement Officer.

15. DISPUTES

General Provision 5.12 is hereby deleted in its entirety and shall be replaced with the following:

- a. All controversies between the University and the Contractor which arise under, or are by virtue of, this contract and which are not resolved by mutual agreement, shall be decided by the Procurement Officer in writing, within NINETY (90) calendar days after a written request by the Contractor for a final decision concerning the controversy; provided that if the Procurement Officer does not issue a written decision, or within such longer period as may be agreed upon by the parties, then the Contractor may proceed as if an adverse decision had been received.
- b. The Procurement Officer shall immediately furnish a copy of the decision to the Contractor, by certified mail, return receipt requested, or by any other method that provides evidence of receipt.
- c. Any such decision shall be final and conclusive, unless fraudulent, or the Contractor brings an action seeking judicial review of the decision in the circuit court of the State with the SIX (6) months from the date of receipt of the decision.

- d. The Contractor shall comply with any decision of the Procurement Officer and proceed diligently with performance of this contract pending final resolution by the circuit court of this State of any controversy arising under, or by virtue of, this contract, except where there has been a material breach of contract by the University provided that in any event the Contractor shall proceed diligently with the performance of the contract where the Procurement Officer has made a written determination that continuation of work under the contract is essential to the public health and safety.

16. CERTIFICATIONS REQUIRED PRIOR TO AWARD

Before contract award can be made by the University, the successful Offeror shall be required to provide the following certifications:

a. Tax Clearance for Contracts

General Provision 2.23 is hereby deleted in its entirety and shall be replaced with the following:

In accordance with Sections 103D-328 and 103-53, HRS, prior to award, Offerors shall submit, **original** tax clearances from the State of Hawaii Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). Tax clearances obtained shall certify that all tax returns due have been filed, and all taxes, interest, and penalties levied or accrued under the provisions of Title 14 that are administered by the DOTAX and under the Internal Revenue Code against the Offeror, have been paid. This shall apply to all contracts, whether with Hawaii Offerors, out-of-state Offerors, or nonprofit organizations.

This shall not apply to Offerors if the DOTAX certifies that the Offeror is in good standing under a plan in which delinquent taxes are being paid to the DOTAX (and the IRS, if applicable) in installments.

The certificate is valid for SIX (6) months from the most recent approval stamp date on the certificate and must be valid on the date it is received by the University. **The application for tax clearance is the responsibility of the Offeror and must be submitted directly to the DOTAX or IRS and not to the University.**

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 10/2004), which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website: <http://www.state.hi.us/tax/alphalist.html#a>

DOTAX Forms by Fax/Mail: (808) 587-7572
1-800-222-7572

Information about the State of Hawaii Department of Taxation can be found at:
<http://www.state.hi.us/tax/tax.html>

Any questions pertaining to tax clearance may be addressed to the following:

- 1) Internal Revenue Service, Compliance Division - LTC
300 Ala Moana Boulevard, #50089
Honolulu, Hawaii 96850-4922
Telephone No.: (808) 541-1160
- 2) Department of Taxation
State of Hawaii
Oahu District Office
P.O. Box 259
Honolulu, Hawaii 96808-0259
Telephone No.: (808) 587-4242
Toll-Free: 1-800-222-3229

b. Certificate of Compliance, Hawaii State Department of Labor

In accordance with Section 103D-310(c), HRS, prior to award, Offeror shall submit an approved Certificate of Compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for SIX (6) months from the date of issue and must be valid on the date it is received by the University. A copy of the Certificate of Compliance is acceptable.

The Certificate of Compliance shall be obtained on the State of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-1122-112, HAR, Form LIR#27, which is available at:
<http://www.hawaii.gov/labor/forms/DCD-LIR27.pdf>

The application for Certificate of Compliance is the responsibility of the Offeror and must be submitted directly to the State of Hawaii DLIR and not to the University.

c. Certificate of Good Standing, State of Hawaii Department of Commerce and Consumer Affairs

In accordance with Section 103D-310, HRS, prior to award, Offeror shall obtain a Certificate of Good Standing from the State of Hawaii Department of Commerce and Consumer Affairs (DCCA). The certificate is valid for SIX (6) months from the date of issue and must be valid on the date it is received by the University. A copy of the Certificate of Good Standing is acceptable.

- 1) **Hawaii business.** A business entity referred to as a “Hawaii business”, is registered and incorporated or organized under the laws of the State of Hawaii. As evidence of compliance, an Offeror that is a “Hawaii business” shall submit a Certificate of Good Standing issued by the DCCA Business Registration Division (BREG). A Hawaii business that is a sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the certificate. An Offeror’s status as a sole proprietor or other business entity and its business street address indicated on the Signature Page or Proposal Letter will be used to confirm that the Offeror is a Hawaii business.
- 2) **Compliant non-Hawaii business.** A business entity referred to as a “compliant non-Hawaii business,” is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State. As evidence of compliance, Offeror shall submit a Certificate of Good Standing.

To obtain a Certificate of Good Standing, go online to www.BusinessRegistrations.com and follow the prompt instructions. To register or to obtain a Certificate of Good Standing by phone, call (808) 586-2727 (M-F 7:45 a.m. to 4:30 p.m., H.S.T.).

Offerors are advised that there are costs associated with registering and obtaining a Certificate of Good Standing from the DCCA.

The above certifications should be applied for by Offerors in a timely manner. The University will inform the successful Offeror in writing as to the exact date and time that the above certifications are due to the University. If the successful Offeror does not submit the certifications by the date and time specified in the University’s written notification, the successful Offeror’s proposal shall be rejected. Thereafter, the University reserves the right to consider other offers received for award.

17. CERTIFICATIONS REQUIRED FOR FINAL PAYMENT

Before final payment can be made under this contract, the Contractor shall be required to provide the following certifications:

a. Tax Clearance For Final Payment

General Provision 7.2 is hereby deleted in its entirety and shall be replaced with the following:

In accordance with Section 103-53, HRS, final payment for the settlement of the contract will not be made by the University until the Contractor has submitted to the University original tax clearances from the State of Hawaii Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). Tax clearance shall certify that all tax returns due have been filed, and all taxes, interest, and penalties levied or accrued under the provisions of Title 14 that are administered by the DOTAX and under the IRS Code against the Contractor have been paid.

Notwithstanding Sections 40-57 and 40-58, HRS, if a Contractor fails to provide the original tax clearances within SIX (6) months of the notice of final settlement or completion date of the contract, the University shall assign the final settlement payment in an amount not to exceed the tax liability to the DOTAX or IRS, provided that the DOTAX may first offset its tax debt against the sum owed to the Contractor. This shall apply to all contracts whether with Hawaii vendors, out-of-state vendors, or nonprofit organizations.

The foregoing shall not apply to the Contractor if the DOTAX certifies that the Contractor is in good standing under a plan in which delinquent taxes are being paid to the DOTAX (and the IRS, if applicable) in installments.

The certificate is valid for SIXTY (60) days from the most recent approval stamp date on the certificate. To allow the University sufficient time to make payments, the certificate and must be valid for a minimum of THIRTY (30) days on the date it is received by the University. **The application for tax clearance for final payment is the responsibility of the Offeror and must be submitted directly to the DOTAX or IRS and not to the University.**

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 10/2004), which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website: <http://www.state.hi.us/tax/alphalist.html#a>

DOTAX Forms by Fax/Mail: (808) 587-7572
1-800-222-7572

Information about the State of Hawaii Department of Taxation can be found at:
<http://www.state.hi.us/tax/tax.html>

Any questions pertaining to tax clearance may be addressed to the following:

- 1) Internal Revenue Service, Compliance Division - LTC
300 Ala Moana Boulevard, #50089
Honolulu, Hawaii 96850-4922
Telephone No.: (808) 541-1160
- 2) Department of Taxation
State of Hawaii
Oahu District Office
P.O. Box 259
Honolulu, Hawaii 96808-0259
Telephone No.: (808) 587-4242
Toll-Free: 1-800-222-3229

b. Certification of Compliance for Final Payment

Final payment shall be withheld pending receipt from the Offeror of certification affirming that the Offeror has remained in compliance with the requirements referenced in Special Provision 16.

SPO Form-22, Certification of Compliance for Final Payment shall be used for this purpose. A copy of the form is available at
<http://www4.hawaii.gov/StateFormsFiles/Forms221.pdf>

18. PREFERENCES

The preferences provided below shall be added to the General Provisions, Section 3, EVALUATION, AWARD AND EXECUTION OF CONTRACT. These preferences will be considered in the evaluation only if it is deemed applicable by the University to the RFP or IFB.

a. Preference for Hawaii Products (Applicable to RFP's and IFB's)

Section 103D-1002, HRS, and Subchapter 1, Chapter 3-124, HAR, provide as follows:

Hawaii products. In any expenditure of public funds, a purchasing agency shall review all purchase specifications in a bid or proposal for purchase from the Hawaii products list where such products are available, provided that the products: meet the minimum specifications and the selling price f.o.b. jobsite; unloaded including applicable general excise tax and use tax does not exceed the lowest delivered price in Hawaii f.o.b. jobsite; unloaded including applicable general excise tax and use tax of a similar non-Hawaii product by more than: THREE PERCENT (3%), where Class I Hawaii products are involved; FIVE PERCENT (5%) where Class II Hawaii products are involved; or TEN PERCENT (10%) where Class III Hawaii products are involved.

Where offers contain both Hawaii and non-Hawaii products, then for the purpose of selecting the lowest offer or purchase price only, the price offered for a non-Hawaii product item shall be increased by adding thereto THREE PERCENT (3%), FIVE PERCENT (5%) or TEN PERCENT (10%) where similar Class I, Class II or Class III Hawaii product items have been offered by another party pursuant to the preferences stated above. The lowest total offer, taking into consideration the above preferences, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the original price offered, exclusive of such preferences.

Any person desiring a preference must have the product(s) qualified and registered on the Hawaii products list. The responsibility for qualification shall rest upon the person desiring the preference. The product(s) shall be found qualified and on the Hawaii products list before a preference may be granted. Persons desiring to qualify their product(s) shall complete according to instructions and file with the Administrator, State Procurement Office, the "Application for Hawaii Products Preference," which is available from the State Procurement Office and provide all additional information required by the Administrator.

Should the price comparison for bids submitted pursuant to Section 103D-302, HRS, after taking into consideration all applicable preference, result in identical total prices, award shall be made to the Offeror offering a registered Hawaii produce in preference to a non-Hawaii product.

b. Printing Preference (Applicable to IFB's only)

Section 103D-1003, HRS, and Subchapter 2, Chapter 3-124, HAR, provide as follows:

All bids submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall receive a FIFTEEN PERCENT (15%) preference for purposes of bid evaluation.

Where bids are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid, the amount bid or proposed for work performed out-of-state shall be increased by FIFTEEN PERCENT (15%). The lowest total bid, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the original price offered, exclusive of the preference.

c. Software Development Business Preference (Applicable to RFP's and IFB's)

Section 103D-1006, HRS, and Subchapter 5, Chapter 3-124, HAR, provide as follows:

This preference shall apply to all bids or offers issued by a purchasing agency when so stated in the solicitation. Bids issued by a governmental agency pursuant to Section 103D-301, HRS, shall contain a notice stating that a price preference will be given to Hawaii software development businesses. This price preference will be TEN PERCENT (10%) of the offer price, and will be used for evaluation.

Offerors requesting a preference shall submit a completed certification form, as required by Section 3-124-33, HAR, with each offer. Previous certifications shall not apply unless allowed by the offer.

Any Offeror who fails to indicate that it is a Hawaii software development business will be presumed to be a non-Hawaii software development business and the offer will be increased by TEN PERCENT (10%) for purposes of evaluation.

Where an offer contains both Hawaii software development businesses and non-Hawaii software development businesses, then for the purpose of determining the lowest evaluated bid, the original offer for the non-Hawaii software development businesses shall be increased by TEN PERCENT (10%).

The responsible Offeror submitting the lowest evaluated offer(s), taking into consideration all applicable preferences shall be awarded the contract, provided the product being offered meets the minimum specifications.

The contract amount of any contract awarded shall be the original price offered, exclusive of any preferences.

d. Recycled Products Preference (Applicable to IFB's only)

Section 103D-1005, HRS, and Subchapter 4, Chapter 3-124, HAR, provide as follows:

Solicitations issued by a governmental agency pursuant to Section 103D-310, HRS, and consistent with Section 3-124-22, HAR, shall contain a notice stating that a price preference will be given to recycled products. This price preference will be at least FIVE PERCENT (5%) of the offer price, and will be used for bid evaluation, as specified in Section 3-124-25, HAR.

When a purchase specified recycled products only, or when recycled products only are offered, the price preference shall not apply.

Offerors requesting a preference shall complete a certification of recycled content form which shall be included with the solicitation if applicable as follows:

- 1) Offerors shall indicate on the certification form, the recycled content of the products offered. Recycled content shall be expressed as a percentage of total product weight.
- 2) Offerors shall submit with the certification form sufficient information to support the stated recycled content of the products offered, including but not limited to manufacturer's specifications, or manufacturer's certification. The University reserves the right to request additional information deemed necessary in order to qualify a product, and has sole discretion in determining acceptance of a product.
- 3) Any Offeror whose product is not accepted for application of preference may appeal by filing a written request for re-examination of facts to: Office of Procurement and Real Property Management, University of Hawaii, 1400 Lower Campus Road, Room 15, Honolulu, Hawaii 96822.

Previous certifications shall not apply unless allowed by the solicitation.

Offerors failing to submit the certification at the time established for receipt of offers will not be considered for the price preference.

When both recycled products and non-recycled products are offered for the purpose of determining the lowest price, the original offer price for the non-recycled product item shall be increased by FIVE PERCENT (5%).

When low tie offers with identical post-consumer recovered material content result after all applicable preferences are applied, award shall be made to the Offeror offering products with the higher recovered material content.

The contract amount of any contract awarded shall be the original offer price offered, exclusive of any preferences.

e. Tax Preference (Applicable to IFB's only)

Section 103D-1008, HRS, Subchapter 7, Section 3-124, HAR, provides a tax preference for tax paying bidders. For purposes of this section, tax exempt bidders and tax paying bidders are defined as follows:

- 1) "Tax exempt bidder" mean a bidder that is not subject to the applicable Hawaii general excise and applicable Hawaii use tax, under Chapters 237 and 238, HRS, resulting from the performance of the work required by the solicitation; or a bidder that has tax exempt status under federal or state laws or both.
- 2) "Tax paying bidder" means a bidder that is subject to the applicable Hawaii general excise tax and applicable Hawaii use tax, under Chapters 237 and 238, HRS, for the performance of the work required by the solicitation.

To facilitate compliance with this requirement, each bidder possessing a Hawaii I.D. number for General Excise Tax License shall enter it in the space provided on the signature page, thereby attesting that the bidder is doing business in the State of Hawaii and is a tax paying bidder, and that bidder will pay such taxes on all sales made to the State. Any bidder that cannot furnish a valid Hawaii General Excise Tax License number in the space provided will be considered as not doing business in the State of Hawaii and is a tax exempt bidder, and bidder's bid will be evaluated accordingly.

The price submitted by the tax exempt bidder shall be increased by the applicable retail rate of the Hawaii general excise tax, currently 4%, and applicable use tax, currently ½ of 1%, for the purpose determining the evaluated price for award purposes. Any contract awarded, after taking into consideration the above preference, shall be in the amount of the original price bid and shall not include the amount of the said preference.

f. Qualified Community Rehabilitation Programs Preference (Applicable to RFP's and IFB's)

Section 103D-1009, HRS, Subchapter 8, Section 3-124, HAR, provides a preference for qualified community rehabilitation programs.

All solicitations for goods and services made pursuant to Sections 103D-302 and 103D-303, HRS, issued by a purchasing agency shall contain a notice stating that a price preference will be given to qualified community rehabilitation programs.

When a governmental body contracts for goods and services, a FIVE PERCENT (5%) preference shall be given to goods and services to be provided by nonprofit corporations or public agencies operating qualified community rehabilitation programs in conformance with criteria established by the department of labor and industrial relations pursuant to Chapter 91; provided that contracts awarded under this section shall be exempt from the wages provision of Section 103-55. Organizations listed in the partners employment program qualify for a preference. All other prospective Offerors desiring a preference shall submit with their offer the "Certificate of Eligibility to be Certified as a Qualified Community Rehabilitation Program" issued by the State Procurement Office.

In evaluating offers for goods or services, the University shall increase the price offered by noncommunity rehabilitation program by FIVE PERCENT (5%) for the purpose of determining the lowest evaluated Offeror. The contract amount of any contract awarded shall be the original price offered, exclusive of any preferences.

g. APPLICATION OF MULTIPLE PREFERENCES

Should more than preference allowed by statute apply, the evaluated price shall be based on application of applicable preferences in the following order:

- 1) Hawaii Products list, pursuant to Section 103D 1002, HRS;
- 2) Tax adjustment for tax exempt Offerors, pursuant to Section 103D-1008, HRS;
- 3) Preferred use of Hawaii software development business, pursuant to Section 103D-1006;

- 4) Recycled products, pursuant to Section 103D-1005, HRS;
- 5) Printing, binding, and stationery work within the State, pursuant to Section 103D-1003, HRS; and
- 6) Preference for persons with disabilities pursuant to Section 103D-1009, HRS.

The preferences shall be applied to the original prices. The sum of the preferences, where applicable, shall be applied to the original price, except that preferences 1) and 4) shall be subtracted from the Hawaii products or recycled products price.

The responsible Offeror submitting the lowest evaluated offer(s), taking into consideration all applicable preferences shall be awarded the contract provided that the product offered meets the minimum Technical Specifications. Lastly, the contract amount shall be the amount of the price offered, exclusive of any preference.